

### *Legislation to Extend, Expand Homebuyer Tax Credit Headed to President's Desk*

**WASHINGTON, DC** - The House voted overwhelmingly today for a measure backed by U.S. Rep. Harry Mitchell to extend the [homebuyer tax credit](#) beyond its current November 30 expiration date and broaden eligibility for the tax break. The measure passed the House with a bipartisan vote of 403-12 after passing the Senate 98-0. It now moves to the White House for the President's signature, which is expected this week.

"The homebuyer tax credit has helped stabilize Arizona's housing market, which is a key component to our state's economic recovery," Mitchell said. "I'm glad to see Congress take action to extend it and urge the President to sign it swiftly."

Earlier this year, Congress passed the American Recovery and Reinvestment Act which included the temporary \$8,000 tax credit for first-time homebuyers, a tax incentive that is helping to spur the housing market for homes priced below \$150,000. [Source: [Arizona Republic](#), May 27, 2009]

"In these difficult times, Congressman Mitchell understands the importance of job creation in the home building industry and stimulating Arizona's economy," said Connie Wilhelm, President of the Homebuilders Association of Central Arizona.

"Everyone is searching for stability in unstable times, and the \$8,000 First Time Homebuyer Tax Credit has helped provide that, both for homebuyers and in neighborhoods that have lost value because of the housing crisis," said Tom Farley, chief executive officer of the Arizona Association of Realtors. "Extending the Tax Credit is vital because, without it, our current home inventory would be much higher, confidence in the return of the real estate market would be lower and more homes would be vacant eyesores in our communities across the state. Congressman Mitchell's support for extending and expanding the tax credit will provide a tremendous shot in the arm to our real estate market."

Local realtor Roberta Voss, a former Republican lawmaker who served in the Arizona State

Senate added, "The Arizona real estate market should experience greater stabilization and even growth as a result of the this week's Congressional agreement to extend the homebuyer tax credit to April 2010 and expand the program to include move-up buyers. We have definitely seen signs of improvement all over the valley when homebuyers have used their \$8,000 tax credit to improve their new homes. The reinvestment in the home and in the neighborhood as a whole is a benefit to the entire community. Overall, the Congressional move will affect a broader base of people and have a longer lasting impact by reinvigorating home ownership."

Nationally, the Mortgage Bankers Association, the National Association of Realtors, Business Roundtable, and the American Land Title Association have endorsed bills to extend and expand the tax credit.

The Unemployment Compensation Extension Act of 2009, H.R. 3548, will extend the \$8,000 credit for first-time homebuyers who enter sales contracts by April 30, 2010, and close within 60 days as well as allow individuals to claim the credit for purchases in 2010 on their 2009 tax returns meaning they could get the money relatively quickly. The measure would also add a \$6,500 credit for current homeowners, as long as they have lived in their homes for five consecutive years. The income cap for qualifying would be raised to \$125,000 for individuals and \$225,000 for married couples, up from \$75,000 and \$150,000, respectively. But homes sold for more than \$800,000 would not be eligible for the credit. [Source: Congressional Quarterly, November 5, 2009]

Earlier this year, Mitchell cosponsored a bill introduced by Rep. Ken Calvert (R-CA), H.R. 1245, the Homebuyer Tax Credit Act of 2009. Mitchell also cosponsored H.R. 101, The Economic Recovery Through Responsible Homeownership Act of 2009, with Rep. David Dreier (R-CA). H.R. 101 is a bipartisan bill which would provide up to \$10,000 in tax breaks to qualified homebuyers who make qualifying down payments.

The number of contracts to buy previously owned homes in the U.S. rose in September for an eighth straight month as Americans rushed to meet a deadline for a home-buyer tax credit. [Source: [Bloomberg](#), November 2, 2009]

H.R. 3548 also included a provision of the bill sought by businesses that have suffered operating losses during the current recession. It would allow businesses to use net operating losses from 2008 and 2009 to offset profits from five previous years, up from two years. In many cases, that would result in refunds. Businesses from the manufacturing, retail and

financial services sectors have been pressing hard for an expansion of this "net operating loss carryback" provision. [Source: Congressional Quarterly, November 5, 2009]

The bill also included an unemployment extension to allow workers in all 50 states to draw 14 weeks of federal unemployment benefits after exhausting their regular 26 weeks of state compensation. It provides an additional six weeks in states with unemployment rates of at least 8.5 percent. [Source: Congressional Quarterly, November 5, 2009]